

BOOK 78 PAGE 711

Prepared by and Return to:
L. Don Campbell, Jr. Krivcher Magids
6410 Poplar Avenue, Ste. 300
Memphis, TN 38119 (901) 682-6431

ASSIGNMENT AND ASSUMPTION OF LEASE

THIS ASSIGNMENT AND ASSUMPTION OF LEASE (this "Agreement") is made and entered into as of the 4th day of August, 1998, by and among AI AIRWAYS, LLC, a Tennessee limited liability company ("Assignor"); AUTOBODY AMERICA INC., a Delaware corporation ("Assignee"); and GH MAIN STREET, LLC, a Tennessee limited liability company ("Landlord").

WITNESSETH:

WHEREAS, Landlord, as landlord, has entered into that certain Lease Agreement, dated as of May 7, 1998 (as amended and extended from time to time, the "Lease"), with Assignor, as tenant, regarding the lease of a building, containing approximately 8,340 square feet, together with approximately 40,600 square feet of land on which said building is located, in DeSoto County, Mississippi (the "Premises"), as said Premises is more particularly described in the Lease;

WHEREAS, Assignor desires to assign to Assignee all of its right, title and interest in and to the Lease, a true and correct copy of such Lease having been provided to Assignee by Assignor; and

WHEREAS, Landlord desires to consent to such assignment.

NOW, THEREFORE, in consideration of TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Assignment and Assumption. Assignor does hereby sell, assign, transfer and set over to Assignee all of Assignor's right, title and interest as "tenant" under the Lease, and Assignee hereby assumes all of Assignor's duties and obligations as "tenant" under the Lease.

2. Consent of Landlord. Landlord hereby consents to the assignment and assumption described in Paragraph 1 hereinabove pursuant to the terms of Paragraph 21 of the Lease.

3. No Default. Each of Assignor and Landlord hereby certifies that the Lease is in full force and effect and that, to its knowledge the other party thereto, is not in default thereunder.

4. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of Landlord, Assignor, Assignee and Guarantor and their respective heirs, successors and assigns.

5. Counterparts. This Agreement may be executed in any number of counterparts, all of which shall constitute one and the same instrument. Facsimile copies of signatures hereto shall be deemed originals.

[SIGNATURES FOLLOW]

JOHN STANLEY - DESOTO CO.

SEP 17 9 59 AM '98

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W.E. DAVIS CH. CLK.

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IN WITNESS WHEREOF, Assignor, Assignee and Landlord have caused this Agreement to be executed under seal as of the day and year first above written.

ASSIGNOR:

AI AIRWAYS, LLC, a Tennessee limited liability company

By: _____

Patrick C. James
Patrick C. James, Chief Manager

ASSIGNEE:

AUTOBODY AMERICA INC., a Delaware corporation

By: _____

Robert D. Morris, Jr.
Name: *Robert D. Morris, Jr.*
Title: *President*

LANDLORD:

GH MAIN STREET, LLC, a Tennessee limited liability company

By: _____

JJ GANNAWAY III
Name: *JJ GANNAWAY III*
Title: *CHIEF MANAGER*

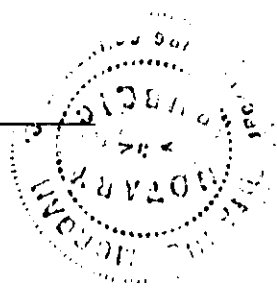
STATE OF North Carolina
COUNTY OF Mecklenburg

Before me, a Notary Public at large of the state and county aforesaid, personally appeared PATRICK C. JAMES, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged such person to be the Chief Manager of AI AIRWAYS, LLC, the within named bargainor, a limited liability company, and that as such officer such person, executed the foregoing instrument for the purposes therein contained, by personally signing the name of the limited liability company as its Chief Manager.

WITNESS my hand, at office, this 4th day of August, 1998.

Dianne Morgan
Notary Public

My Commission Expires: November 14, 2000



STATE OF North Carolina
COUNTY OF Mecklenburg

Before me, a Notary Public at large of the state and county aforesaid, personally appeared Robert D. McKel's Jr., with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who upon oath acknowledged such person to be the President of AUTOBODY AMERICA, INC., the within named bargainor, a corporation, and that as such officer such person executed the foregoing instrument for the purposes therein contained, by personally signing the name of the corporation as its President.

WITNESS my hand, at office, this 4th day of August, 1998.

Dianne Morgan
Notary Public

My Commission Expires: November 14, 2000



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STATE OF Tennessee
COUNTY OF Shelby

Before me, a Notary Public at large of the state and county aforesaid, personally appeared James I. Gannaway III, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged such person to be the Chief Manager of GH MAIN STREET, LLC, the within named bargainor, a limited liability company, and that as such officer such person, executed the foregoing instrument for the purposes therein contained, by personally signing the name of the limited liability company as its Chief Manager

WITNESS my hand, at office, this 3rd day of August, 1998.

James I. Blalock
Notary Public

My Commission Expires: MY COMMISSION EXPIRES MAY 23, 2000

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GUARANTORS ACKNOWLEDGMENT

THE UNDERSIGNED Guarantors acknowledge and agree that the Assignment and Assumption of Lease by and among Ai Airways, LLC, AutoBody America Inc., and GH Main Street, LLC, dated August 4, 1998, shall not release Guarantors from their obligations and liabilities under the Lease and acknowledge their continuing personal guaranty.

IN WITNESS WHEREOF, the Guarantors have executed this Guarantors Acknowledgment on the 4th day of August, 1998.

GUARANTORS:

Patrick C. James
PATRICK C. JAMES

AI HOLDINGS, LLC, a Tennessee limited liability company

By: Patrick C. James
Patrick C. James, Chief Manager

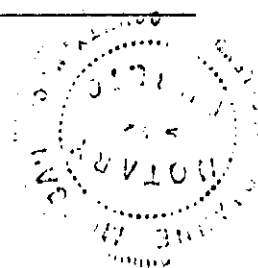
STATE OF North Carolina
COUNTY OF Mecklenburg

Before me, a Notary Public for the state and county aforesaid, personally appeared PATRICK C. JAMES, to me known to be the person described in and who executed the foregoing instrument and acknowledged that such person executed the same as such person's free act and deed.

WITNESS my hand, at office, this 4th day of August, 1998.

Dianne Morgan
Notary Public

My Commission Expires:
November 14, 2000



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STATE OF North Carolina
COUNTY OF Mecklenburg

Before me, a Notary Public at large of the state and county aforesaid, personally appeared PATRICK C. JAMES, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged such person to be the Chief Manager of AI HOLDINGS, LLC, the within named bargainor, a limited liability company, and that as such officer such person, executed the foregoing instrument for the purposes therein contained, by personally signing the name of the limited liability company as its Chief Manager.

WITNESS my hand, at office, this 4th day of August, 1998.

Dianne Moya
Notary Public

My Commission Expires:
November 14, 2000

